

PURCHASING AGREEMENT

THIS ORDER IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS AS WELL AS THOSE APPEARING ON THE FACE HEREOF.

1. CSD/DJI Joint Venture places this Purchase Order and is herein called "Buyer." The recipient of this Purchase Order is herein called "Seller."

2. ACCEPTANCE – This purchase order constitutes an offer by Buyer to Seller upon the terms and conditions stated herein and in the body of the order, and shall become a binding contract upon acceptance thereof either by acknowledgement or performance. Said offer is limited to said terms, and conditions and no deviation therefrom shall be acceptable.

3. DELIVER – Time and rate of deliveries are of the essence of this order. Buyer reserves the right to cancel the order and reject the goods upon default by seller in time or rate of delivery, or Buyer at its option may approve in writing a revised delivery schedule. Unless otherwise agreed to in writing by Buyer, Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet delivery schedule. Goods shipped to Buyer in advance of delivery schedule may be rejected or returned to Seller at Seller's expense. Seller shall not reserve a security interest in goods shipped to Buyer.

4. PRICING – Seller warrants that the prices for the articles sold to Buyer under this order are not less favorable than those currently extended to any other customer for the

same or like articles in equal or less quantities. In the event Seller reduces its price for such articles during the term of this order, Seller agrees to reduce the prices hereof correspondingly.

5. RIGHT OF REJECTIONS – All goods are subject to inspection and test by Buyer at place of manufacture or at destination or at both. If any of the goods are found at any time to be defective in material or workmanship (including goods damaged because of unsatisfactory packaging by Seller), or otherwise not in strict conformity with the requirements of the order, including drawings and specifications and approved samples, if any, Buyer, in addition to any other rights which it may have under warranties or otherwise shall have the right to a) reject and return such goods at Seller's expense and to receive full credit for any such rejected goods, b) upon written request, to require replacement of any such rejected goods without additional cost to Buyer, c) retain and use the goods with an equitable reduction in purchase price.

6. BUYER'S PROPERTY – Unless otherwise agreed to in writing, layouts, models, all tools, gauges, design sketches, drawings, blueprints, patterns, dies, specifications, engineering data or other technical or proprietary information, special appliances, and other equipment or material of every description furnished to seller by Buyer, and any replacement thereof, or any materials affixed or attached thereto, shall remain the property of the Buyer. Such property, and whenever practical, each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as "property of CSD/DJI Joint Venture, "shall be safely stored separate and apart from Seller's

property and shall be subject to examination by Buyer. Seller shall not substitute any property for Buyer's property and shall not use such property except in filling Buyer's orders. Such property while in Seller's custody or control shall be maintained in good condition at Seller's expense, shall be held at Seller's risk and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer, Seller will furnish Buyer a copy of the insurance policy on request. Such property shall be subject to removal at Buyer's written request, in which event Seller shall prepare such property for shipment and shall redeliver the same to Buyer in the same condition as originally received by Seller, reasonable wear and tear accepted. Any special tooling, the full cost or a substantial portion of the cost of which is included in the price of the order, shall upon completion of this order become the property of Buyer and Seller shall return the same to Buyer or make such other disposition thereof as may be directed or approved by Buyer.

7. PATENT RIGHTS – Any and all discoveries, inventions and designs, whether or not patentable or subject to copyright, conceived or reduced to practice by Seller or its employees in connection with the supply, pursuant to this Purchase Order, of item as to which Buyer furnishes the specifications, shall be promptly disclosed to Buyer and shall become the property of Buyer. Seller, and its employees shall, upon request, execute all papers necessary to assign such discoveries, inventions and designs to Buyer and to cause at Buyer's expense patent application to be filed thereon in favor of Buyer. The decision as to whether to file patent applications and to prosecute same shall be made solely by Buyer.

8. CHANGES – Buyer shall have the right to make changes in the order by a notice in writing to the Seller. If such changes cause an increase or decrease in the amount due under the order or in the time required for its performance, an equitable adjustment shall be made and the order shall be modified in writing accordingly. Any claim for adjustment must be asserted by the Seller in writing within 15 days from the date the change is ordered. Nothing contained in this clause shall relieve the Seller from proceeding without delay in the performance of the order as changed.

9. ASSIGNMENT AND SUBCONTRACTING – No assignment of this order shall be binding upon Buyer until its written consent thereto is obtained. Seller shall not procure or contract for the procurement of any item covered by this order in completed or substantially completed form without first securing the written approval of the Buyer.

10. INDEMNIFICATIONS – Seller shall defend and shall indemnify and hold harmless Buyer, its successors, assigns, customers, and the users of its products, from all loss and damage including attorney's fees, by reason of any and all claims and suits charging injury or charging infringement of any patent, trademark or copyright arising out of the sale or use of any goods furnished hereunder except the Seller shall have no liability with respect to patent infringement for goods to which Buyer furnishes complete specifications. Seller agrees to protect, defend, hold harmless and indemnify Buyer from and against any and all liability and expense resulting from any alleged or claimed defect in product, whether latent or patent, including allegedly improper construction

and design, or from the failure of Product to comply with specifications or with any express or implied warranties of Seller or arising out of the alleged violation of any statute, ordinance, administrative order, rule or regulation connected with the manufacture or sale of Product, including but not limited to the Federal Occupational Safety and Health Act of 1970, as amended. Seller further agrees to obtain and maintain during the life of this agreement at its expense, product liability insurance, with a vendor's endorsement, in such form and amount and in such company as may be approved by Buyer in writing. Satisfactory evidence of such insurance shall be submitted to Buyer upon request. For the purposes of this paragraph "Product" shall be deemed to include any packaging supplied by Seller.

11. WARRANTIES – By accepting this offer, Seller warrants that all items delivered under this order will be "merchantable" as defined in Sect. 2-314 of the Uniform Commercial Code and free from defects in materials and workmanship (including damage due to unsatisfactory packaging by Seller), that all items delivered will be strictly in accordance with Buyer's specifications, drawings, and approved sample, if any, and the extent such items are not manufactured pursuant to detailed designs furnished by Buyer, that all items will be free from defects in design and suitable for the intended purposes, that all items subject to the Occupational Safety and Health Act of 1970 are in conformance with the most current Standards thereby.

12. SURVIVAL OF INDEMNIFICATIONS AND WARRANTIES – Seller's obligations under Paragraph 10 and 11 hereinabove shall not be deemed to be exclusive, and

together with any service warranties and guarantees, if any, shall survive acceptance and payment, and shall run to Buyer, its successors, assigns, customers and the users of its products.

13. DEFAULTS-BANKRUPTCY-CANCELLATION – Buyer may cancel this order in whole or in part by written or telegraphic notice: (a) if the Seller shall become insolvent or make a general assignment for the benefit of creditors, or a receiver or liquidator for Seller is appointed or applied for, or if seller admits in writing its inability to pay its debts as they become due, or (b) if any proceeding under any applicable Federal or state bankruptcy or insolvency law is brought by or against Seller: or (c) if, at any time, Seller defaults in the performance or any term or condition which it is obligated to perform hereunder. After receipt of notice of any such termination, Buyer at its option may require the Seller to transfer title and deliver to Buyer any satisfactorily completed work and such work in process as the Seller has specifically produced or specifically acquired for the performance of such part of the order as has been cancelled. Upon any such cancellation pursuant to this clause, if the cost of completion of the order is in excess of the contract price, then Seller shall be liable for such excess. However, except with respect to default of subcontractors, the Seller shall not be liable for any excess costs if the failure to perform arises out of causes beyond the control and without the fault or negligence of the Seller. If the failure to perform is caused by the default of the subcontractor and if such default arises out of causes beyond the control of both Seller and subcontractor, Seller shall not be liable for any excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from

other sources in sufficient time to comply with the order. The term "causes beyond the control" to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to comply with the order. The term "causes beyond the control" as used herein may include but is not restricted to acts of God or of the public enemy, acts of the Government in its sovereign capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather but in every case the failure to perform must be beyond the control and without the fault or negligence of the contractor and subcontractor, as the case may be. The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

14. USE OF DESIGNS, DATA, ETC. – Seller agrees that it will keep confidential the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data or other technical or proprietary information furnished by Buyer and use such items only in the production of terms under this order or other orders from Buyer and not otherwise, unless Buyer's written consent is first obtained. Upon completion or termination of this order, or sooner if requested by Buyer, Seller shall return all such items to Buyer or make such other disposition thereof as may be directed or approved by Buyer.

15. LABOR LAWS – All goods shall be produced and services rendered under conditions which meets the applicable requirements of the Fair Labor Standards Act of 1938, as amended, including Section 12 (a) thereof, as amended, and all applicable

Federal, State and Municipal laws and regulations governing wages, hours and conditions of labor. Seller shall insert a certificate on all invoices submitted in connection with this order stating that the goods or services were produced or rendered in compliance with requirements of the Fair Labor Standards Act of 1938, as amended, including Section 12 (a) thereof, as amended. If the order is for more than \$10,000 and is otherwise subject to the Walsh-Healey Act (44 U.S. Code 35-45) the representations and stipulations required by that Act and regulations issued there under by the Secretary of Labor to be included in all contracts therein specified are incorporated herein by reference.

16. INDUSTRIAL LAWS – The Seller agrees that neither the Seller nor any of the persons furnishing materials or performing work or services which are required by this order are employees of Buyer within the meaning of or the application of any Federal or State Unemployment Insurance Law or Old Age Benefit Law or other Social Security Law, any Worker's Compensation, Industrial Accident Law or other Industrial or Labor Law. The Seller hereby agrees at its own expense to comply with such laws and to assume all liabilities or obligations imposed by anyone or more of such laws with respect to this agreement.

17. COMPLIANCE WITH OTHER LAWS – Seller will comply with all Federal, State, and Municipal Laws, rules and regulations that may be applicable to this order.

18. MODIFICATION OF AGREEMENT – This order contains all the agreement and conditions of these transactions and no agreement or other understanding in any way modifying the conditions hereof will be binding upon Buyer unless made in writing as a change of purchase order and signed by Buyer.

19. CONTINGENCIES – Buyer reserves the right at its option and without liability either to direct suspension of shipments of materials covered by this order or to cancel this order, in whole or in part, at any time when such suspension or cancellation is caused by Government order or other requirements, embargoes, acts or civil or military authorities, acts of the public enemy, inability to secure transportation facilities, strikes, differences with workmen, accidents at plant of Buyer or other law or order or regulation of other contingencies beyond control of Buyer.

20. NO WAIVER OF CONDITIONS – Failure of Buyer to insist upon strict performance of any of the terms and conditions of this order shall not constitute a waiver of such terms and conditions or a waiver of any default.

21. TAXES – Seller will pay or assume all taxes, including without being limited to federal, state and local excise taxes, imposed upon or in connection with the manufacture, sale or furnishing of any or all the goods and work hereunder, and including, without being limited to, any and all state and municipal personal property taxes on any property in the possession of Seller until its delivery to Buyer, including property described in Paragraph 6 above, excepting only taxes which are required to be

paid by the Buyer and forbidden to be paid by Seller under applicable state or municipal law.

22. TERMINATION FOR CONVENIENCE – Buyer may, at any time, terminate this Purchase Order for its convenience in whole or in part as to any undelivered goods and any unperformed work, by written or telegraphic notice or verbal notice confirmed in writing. Upon termination for the convenience of the Buyer, Buyer and Seller will negotiate an equitable settlement payment for the terminated portion consisting of Seller's cost to date of termination plus a reasonable profit thereon.

23. LABOR DISPUTES – Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, Seller shall immediately give notice thereof to Buyer.

24. WORK ON BUYER'S OR ITS CUSTOMER'S PREMISES – If Seller's work under this Purchase Order involves operations by Seller on the premises of Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work, and except to the extent that any such injury is due solely and directly to Buyer's or its customer's negligence, as the case may be, shall indemnify Buyer against all loss which may result in any way from any act or omission of Seller, its agents employees or subcontractors, and Seller shall maintain such Public Liability, Property Damage and Employer's Liability Compensation Insurance as will protect Buyer from said risks and

from any claims under any applicable Workman's Compensation and Occupational Disease Act.

25. BILL OF LADING – Separate invoices for each Purchase Order and original bill of lading shall be delivered to Buyer, or if shipment is not made by railroad, comparable documents shall be mailed to Buyer at the time of shipment.

26. PACKAGES AND EXTRA CHARGES – All packages must bear Purchase Order number. No charges of any kind, including charges for boxing, packing, or cartage, will be allowed unless specifically agreed to by Buyer in writing. Price based on weight shall be determined according to net weight of material unless otherwise agreed. The goods and work covered by this order shall not be billed at a higher price than last quoted or charged by Seller to Buyer unless the price or prices are stated by Buyer on the face of this Purchase Order, packing memo, showing shipper's name, Buyer's Purchase Order number and itemized statement of contents, shall be enclosed with each shipment.

27. TRANSPORTATION – Transportation charges on goods sold, delivered destination, must be prepaid whenever possible. No parcel post insurance charges will be allowed unless authorized by the Buyer.

28. QUANTITY – It is Seller's responsibility to furnish the proper quantity called for in this Purchase Order. No variations in the quantity specified herein will be accepted

as compliance with this order except by prior written agreement. Buyer reserves the right to return excess shipments at Seller's expense.

29. PAYMENT – Payment will be based upon, and any discount period shall begin to run from, the later of the date (i) Buyer receives an acceptable invoice, (ii) Buyer receives acceptable goods or work or both, or (iii) the date specified by Buyer for delivery of such goods or work or both.

30. RESALE CERTIFICATION – If this order is marked "Resale" the buyer certifies the property purchased hereunder is purchased for the purposes of resale. NOTE: Federal Acquisition Regulations are obtainable from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.